

## CANADA TO BORROW EQUIPMENT PLAN \$75,000,000 HERE IS SENT TO ROADS

Negotiations for Flotation of New Loan to Dominion Are Completed.

WILL BE ON 5-1-2 P.C. BASIS

Issue to Be for Long Term and to Provide for \$100,000,000 August 1 Maturities.

That negotiations for the flotation in this market of a new loan of \$75,000,000 to the Canadian Government have been completed was learned in an authoritative quarter yesterday. The issue, which is expected to be long term and to be offered on a basis of 5 1/2 per cent, or better, will be floated early next month. It is said, for the purpose of providing part of the funds to meet the maturity on August 1 of \$100,000,000 Canadian Government two year 5 per cent. unsecured gold notes, which were put out on a 6 per cent. basis.

Arrangements thus far consummated include the decision of the Canadian Government to borrow \$75,000,000 here and the agreement of the syndicate which handled the issue two years ago to underwrite the proposed financing. Such details as the allotment to the underwriting syndicate, the formation of a distributing syndicate, the final decision as to the terms of the bonds, the rate of interest and the offering price must be worked out. The assurance given to the Canadian Government is that the loan will be a success and that the cost of the money will not be more than 5 1/2 per cent.

J. P. Morgan & Co., Brown Bros. & Co. and Harris, Forbes & Co. were the managers of the syndicate which successfully floated at the end of July, 1917, the \$100,000,000 two year 5 per cent. loan. It is expected that they will manage the new issue. The rest of the underwriting group two years ago were the First National Bank, the National City Company, the Guaranty Trust Company, the Bankers Trust Company, the Bank of Montreal and William A. Read & Co. There is no reason to anticipate that any of these banks will fail to participate in the underwriting group for the new issue.

J. P. Morgan and H. P. Davidson held a long conference yesterday afternoon with Benjamin Strong, Jr., governor of the Federal Reserve Bank, and it is understood that Assistant Secretary of the Treasury, Mr. Clegg, was present. Whether the forthcoming Canadian loan or the Davidson plan for the financing of needs abroad and the extension of credit to European countries were discussed or not could not be learned, but as the approval of the Secretary of the Treasury had to be obtained in connection with the loan two years ago it was assumed that the loan to Canada came up for consideration. It is anticipated that Carter Glass, Secretary of the Treasury, will give his assent to the new loan as readily as William G. McAdoo gave his consent in 1917.

The proposed loan to Canada is the first big foreign Government transaction of the kind since the war, but it is an official announcement is expected to make it the first big foreign Government loan to follow the actual consummation of peace. There have been very few foreign Government loans since America's entrance into the war and the new loan is merely an indication of the scale on which credit must be extended by the bankers and investors of the United States.

The proposed loan is the fourth to be floated here by the Dominion of Canada since the outbreak of the war, but this one will not increase the amount of Canada's outstanding debt as it is a refunding proposition. The first loan, for \$15,000,000, was floated in 1915, the second Canadian loan was for \$75,000,000 and it was placed in April, 1916. It was in the form of 8 per cent. notes, which matured in April, 1921. The third Canadian loan was for \$25,000,000 in April, 1916, and \$25,000,000 in April, 1917, and \$25,000,000 in April, 1918. All of these issues were sold on a basis of 5 1/2 per cent, or better, but the third issue, which was in the form of 5 per cent. notes, was offered at a price to yield approximately 6 per cent.

Resides the flotation of the Dominion loan mentioned above, various Canadian provinces and municipalities and railroads have sold bonds and notes in the United States since the beginning of the war. The total amount of all such financing was done in London.

The Bank of Montreal has imported \$1,000,000 in gold from Canada, but so far the bank has not been a party to a special transaction and had no connection with the notes which mature on August 1. That it was a special transaction was proven by the course of the notes at Montreal, which yesterday went to a 1-3/4 per cent, the highest premium reported.

### FORM NEW OIL COMPANY.

Simms Petroleum Organized Under Delaware Laws.

The Simms Petroleum Company, with a capital of \$500,000, shares of no par value, has been incorporated under Delaware laws, according to announcement made yesterday. Of the total authorized capital stock \$250,000 shares have been retained in the treasury. The company will have in its treasury \$3,500,000 in cash. The new company owns and operates the oil fields in the Texas Panhandle and the oil properties of the Texas corporation and other purposes. Henry Brenner, president of the Missouri Pacific Railroad, will be chairman of the directors, and E. F. Simms, vice-president of the Sinclair Oil Corporation, president of the new company. Other directors include P. H. Bethell, vice-president of the New York Telephone Company; Edward Cornell of Davies, Auerbach & Cornell; O. L. Gubel, vice-president of the Virginia and Carolina Chemical Company; Henry Oliver, president of the Oliver Iron and Steel Company of Pittsburgh; H. H. Scott; Frederick W. Scott of Scott & Skinner, Richmond; John T. Scott, president of the First National Bank of Houston; Pinley J. Shepard, vice-president of the Missouri Pacific Railroad; Ernest Stauffer, Jr., vice-president of the Liberty National Bank; John J. Watson, Jr., vice-president of the International Agricultural Corporation.

Customs Receipts \$358,275. Receipts for duties at the Customs House yesterday were \$358,275.13, of which \$193,780.55 was for merchandise withdrawn from bonded warehouses and \$164,494.58 for recent importations.

Executor Trustee  
Chartered 1822  
The Farmers' Loan and Trust Company  
Nos. 16, 18, 20 & 22 William Street  
Branch Office, 475 Fifth Avenue  
At Forty-first Street  
New York  
London Paris  
Foreign Exchange  
Administrator Guardian  
Member Federal Reserve System and New York Clearing House

### U. S. WARSHIP ACTS AS FEDERAL BANK

Bulgaria Pays for Grain by Depositing Money in Vault on Vessel.

A transaction, unusual in the business affairs of this country, has been revealed. It is a deal between the United States and Bulgaria, in which a large shipment of grain has been paid for by deposit of gold in the vaults of a United States warship in the harbor at Constantinople. Germany, too, has bought here large quantities of grain from this country, which she has paid for in the yellow metal. These facts were learned from a reliable source yesterday.

The amount of either transaction has not been divulged by the Government or by the United States Grain Corporation, through which the deal was conducted. The grain involved was sent to Bulgaria by the Grain Administration and payment made in gold. The gold was transferred to Constantinople, where it was taken aboard a United States warship lying in the harbor there. In the meantime, Bulgaria, with which this country has not been at war, was allowed to sell goods in this country and she shipped here large quantities of tobacco and other of her products, thereby establishing substantial credits. As these credits grew, the gold deposited on the warship was released and taken back to Bulgaria.

In the case of the sale of grain to Germany three options in the manner of payment were allowed that country. They were payment in gold, payment by the transfer of securities or payment by the establishment of credits on goods sent to this country. The last of these was impossible because of the utter demoralized state of Germany's industrial affairs. The second option proved impracticable because of the inability of the German Government to command or otherwise acquire the necessary securities. The only manner in which payment could be made was by transfer of gold.

Gold was taken to Brussels and placed to the account of the United States. It is now understood to be in process of transfer to London, where it will be placed to the credit of the Federal Reserve Board. It will be transferred to New York, probably via Canada, the route of all recent shipments of the yellow metal from England to the United States. The amount of the transaction has not been divulged, but it is known to be considerably in excess of \$1,000,000.

Reports to the effect that the United States Grain Corporation has made inquiries of Chicago banks as to the amount of money they are able to furnish to the grain Administration, received in New York from Chicago, have been denied emphatically by officials of the Grain Corporation. The Grain Corporation was seeking loans from the Chicago banks to finance the grain which the corporation would buy from Western and Middle Western farmers.

A letter written recently by Julius Barnes, director of the Grain Corporation, to a group of bankers throughout the country is believed to be the basis for the rumor. The letter was an assurance to all banks of the country that the Grain Corporation stood behind the United States of the nation to the extent of the price guaranteed by Congress for wheat, and pointing out that loans might be made to grain growers without fear of loss. That the Grain Corporation will need money from the banks is not considered probable in view of its present resources. In addition to its original capitalization of \$150,000,000, the United States Grain Corporation has been granted by Congress an appropriation of \$10,000,000, which is to be used on its affairs, and it is believed that that amount will be ample to care for its needs.

### BID AND ASKED QUOTATIONS.

UNITED STATES GOVERNMENT BONDS.

Bid.	Asked.
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2
24 registered 100 100 1/2	100 100 1/2

Amor. Foreign Sec. Co. 44 100 1/2 100 1/2

Argentine 100 100 1/2 100 1/2

Canada 100 100 1/2 100 1/2

Canada 100 100 1/2 100 1/2

Canada 100 100 1/2 100 1/2

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### NEW JERSEY BANKS' RESOURCES GROWING

Report Shows Bigger Business in U. S. Securities.

TRENTON, June 27.—Frank H. Smith, State Commissioner of Banking and Insurance, has issued a statement showing that the 118 trust companies, the 27 savings banks, and the 24 State banks of New Jersey are in a prosperous condition, with total resources at the close of business on May 12 of \$733,404,728. This is an increase of \$22,114,714 over the figures of the previous report of March 4.

All three classes have been doing a larger business in Liberty bonds and War Savings Stamps than in the period covered by the previous report. On May 12 the savings banks of the State showed total resources of \$157,272,590, an increase of \$2,221,732. The total resources of the trust companies is shown to have been \$508,843,869, an increase of \$17,185,313. The total resources of the State banks were \$133,289,268, an increase of \$607,548.

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# The meaning in United Retail Stores CORPORATION

In May and June, 1912, Dow, Jones & Co. in its financial news bulletins and The Wall Street Journal expounded the principles under the UNITED CIGAR STORES CO.

## Retail Stores as Investments

(From The Wall Street Journal and Dow, Jones & Co. Bulletins, May 20, 1912.)

Until recently railroad transportation was the expanding business of the United States, absorbing the major portion of the accumulating investment funds of the country. Now capital is turning steadily to industrial enterprises.

President Whelan, of the United Cigar Stores Co., to which the Supreme Court has just given a clean bill of health by forcing out the American Tobacco Co., and twenty-eight co-defendants from ownership therein, tells his friends, that manufacturing and retailing are the only lines left for profitable enterprise.

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